

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Required Report - public distribution

Date: 10/2/2009

GAIN Report Number: MX9073

Mexico

LIVESTOCK AND PRODUCTS ANNUAL

Mexico Livestock and Products Annual

Approved By:

Carlos Gonzalez

Prepared By:

Zaida San Juan and Daniel R. Williams II

Report Highlights:

Due to the international economic crisis, weak demand, a volatile exchange rate and lower gross family income, the rate of growth for red meat consumption in Mexico is expected to decline as many middle- and lower-income consumers are expected to substitute relatively cheaper protein sources for red meat. U.S. beef exports to Mexico will face a reduction in 2009 and, even though exports will increase in 2010, the level will be lower than in 2008. Live calf and red meat exports are forecast to increase in the medium term.

Executive Summary:

Live Cattle and Beef

Mexican cattle inventories for 2010 are expected to decline as a result of lower rates of production, while imports failed to compensate for 2009 slaughter loss and export levels. Cattle slaughter estimates for 2010 are expected to grow and both the 2009 and 2008 estimates have been revised upwards. Slaughter growth for 2010 and 2009 is due to increased production costs, which drove feedlot operators to reduce their cattle numbers. However, the increased slaughter caused a reduction in market prices. Imports of cattle for 2010 will begin to recover from 2009 levels which had declined 83 percent. In 2010, beef production and consumption will remain stagnant, while imports are expected to increase from 2009 levels. 2009 import levels are estimated to decline 27 percent compared to the previous year.

Live Hogs and Pork

2010 and 2009 total swine production is expected to increase slightly. This increase will be restricted due to the effects of the international economic crisis and H1N1 outbreak. Ending inventories are expected to increase for both 2009 and 2010. Mexico's imports of hogs are forecast to increase in 2010, reaching 15,000 heads. That was a healthy increase from 2009, when imports sharply declined by 88 percent to 10,000 heads. Pork production for 2010 is forecast to recover (2 percent) after a slight decline in 2009 (0.8 percent). Growth in pork consumption is expected to slow in 2010 after increasing 3.8 percent in 2009. Mexico's pork exports are forecast to grow in 2010 compared to 2009.

NOTE: This report significantly changes earlier production and stocks data for cattle, beef, swine and pork from previous Office of Agricultural Affairs (OAA) estimates. The change stems from an effort to harmonize the respective 2008, 2009 and 2010 estimates and forecasts based on official cattle inventory estimates that the National System of Statistic and Geographic Information (INEGI) produced via its 2007 census, as well as estimates and forecasts from the private sector.

Data included in this report are not official USDA data. Official USDA data are available at <http://www.fas.usda.gov/psdonlineonline>

Commodities:

Meat, Beef and Veal

Animal Numbers, Cattle

Production:

Beef

Cattle production for 2010 is forecast to increase only marginally as compared to 2009 (0.3 percent), reflecting decreased demand for feeding and export cattle due to lower beef consumption by lower-income families and reduction of exports due to the negative effect of COOL regulation on export prices. This continues the trend that was observed in 2009, as cattle production estimates only increased about 0.3 percent compared to 2008 levels.

The 2008 cattle production estimates have been revised downward from the previous report and are now approximately 2 percent lower than the 2007 levels. The change reflects the numbers of the recently-published INEGI 2007 census as well as private sector estimates.

Total cattle inventories for 2010 are expected to decline 2.3 percent as a result of lower rates of production and imports that failed to compensate for 2009 slaughter loss, and export levels. Total inventories for 2009 and 2008 have been revised downward to reflect the above-mentioned trend, based on INEGI's 2007 census data.

The 2008 beginning stocks estimates for dairy and beef cows were revised upward and downward, respectively, following the release of the official INEGI data (2007). The 2008 beginning stocks estimates were based on the INEGI and industry trends.

Beef production for 2010 is forecast to increase only 0.3 percent due to an expected decline in consumer demand resulting from the economic downturn, which also increases the price of inputs such as petroleum. Beef production for 2009 and 2008 was revised to match official data.

Slaughtering for 2010 is forecast to increase 0.1 percent, with slaughtering for 2009 increasing by 2 percent.

Meanwhile, beef production estimates are forecast to increase 1.6 percent in 2009 and 0.3 percent in 2010. In spite of the increasing trend in production, red-meat consumption will recover slowly as family incomes increase.

Despite the international economic crisis, the beef industry has many investment projects aimed at increasing slaughtering and packing facilities. Many TIF [1] plants have begun adding value to viscera by selling it packed, not only for the domestic market, but also for export.

Additionally, TIF plants are increasing the slaughter of animals that come from suppliers with “trustworthy supplier” certification. This certification guarantees that cattlemen feed animals without using prohibited feed supplements such as Clenbuterol.

^[1] Federally Inspected Facilities

Consumption:

The consumption of beef and pork meat will not increase at the same rate as the population growth for 2009 and 2010, in part because of reduced gross family income resulting in lower red meat consumption and because of a substitution effect by consumers who see poultry as a cheaper and “healthier” protein source that will thereby repress per capita growth of beef and pork meat consumption.

Beef

Beef consumption is expected to grow in 2010 (2.1 percent), in contrast to the reduction for 2009 (-4.1 percent) resulting from the effects of the economic crisis on middle- and lower-income consumers’ purchasing decisions and the comparatively higher-price of beef as a protein source.

This type of meat is the first to be substituted in Mexico when family gross income is reduced. Only the upper-middle and higher income consumers do not change their meat consumption habits even in a crisis.

The 2008 beef consumption estimate was revised downward reflecting a lower slaughter level than previously reported. The economic slowdown, the increase of beef prices (particularly imported cuts due to the exchange rate), the reduction of family income, and the higher substitutability of beef meat affected, and continues affecting, beef consumption.

It is hoped that in 2010 the beef meat consumption level will start recovering, thanks to larger quantities of domestic beef available due to an expected policy of feeding and slaughtering traditionally-exported cattle within Mexico. The GOM, ranchers and feeders are working towards an agreement on this policy, which should result in countering meat import reductions due to the strong exchange rate.

Trade:

In general, red meat exports to Mexico are expected to recover slightly in 2010 after a decrease in 2009 and 2008 due to the international economic slowdown that is not only affected by the exchange rate, but also a reduction in consumption of red meat (principally higher-priced beef cuts).

Beef

Mexican cattle exports are forecast to increase 18.9 percent in 2010 and 25.3 percent in 2009 after reversing a downward trend which occurred in 2007 and 2008. However, the level in 2010 (1.1 million heads) will be lower than 2006 (1.2 million heads). As previously reported, the decrease in exports of calves to the United States is primarily due to a reduced price paid to Mexican exporters, who claim the reduced price is because of the U.S. COOL law.

Cattle imports will increase 67 percent in 2010 to 25,000 head; following a glaring drop in 2009 in which only 15,000 heads were imported. These figures are 28 and 17 percent, respectively, of 2008 import levels.

Although Nicaragua, Australia, and New Zealand have been the main suppliers of cattle to Mexico in the past, it appears that in 2009 the United States will be the largest supplier, but at a lower level than previous years.

For 2010, Mexican beef exports will most likely not increase because Mexican export prices should be higher than current export prices due to the current peso devaluation. Exports might increase if Mexico finally obtains an animal-sanitary agreement with new markets such as Russia, China and Singapore.

It is important to point out that the Mexican government continues to strengthen its domestic inspection and is now obtaining international equivalences in sanitary procedures which in the past have caused a temporary halt to exports. In 2009, a 7.1 percent increase (a lower rate than 2008 and 2007) is expected for exports.

The United States will continue to be the leading supplier of beef imports. However, the presence of Canada and Chile in the Mexican market are increasing year by year, and it is probable that in 2010 the United State will suffer a reduction primarily due to the peso devaluation.

As of the date of publication, the following beef products are still prohibited from entering Mexico from the United States due to the finding of BSE in a U.S. cow in December of 2003.

Prohibited products:

Live cattle for slaughter
 Boneless and bone-in meat from cattle 30 months of age or older
 Bovine offal and viscera other than those currently authorized
 Products derived from non-protein-free tallow
 Gelatin and collagen prepared from bone
 Ruminant meal
 Ground beef

Production, Supply and Demand Data Statistics:

PS&D Animals numbers, Cattle

PS&D Table									
Country:		Mexico							
Commodity:		Animals numbers, Cattle							
	USDA Official	Old Post Data	New Post Estimate	USDA Official	Old Post Data	New Post Estimate	USDA Official	Old Post Data	New Post Estimate
Market Year Begin	01/2008			01/2009			01/2010		
Total Cattle Beg. Stks	26,725	26,519	22,850	27,132		22,700			22,168
Dairy Cows Beg. Stocks	2,270	2,200	3,060	2,260		3,157			3,256
Beef Cows Beg. Stocks	11,400	11,900	6,810	11,400		6,909			7,000
Production (Calf Crop)	8,235	8,350	6,754	8,550		6,775			6,797
Intra-EU Imports	0	0	0	0		0			0
Other Imports	90	95	90	82		15			25
Total Imports	90	95	90	82		15			25
Total Supply	35,050	34,964	29,694	35,764		29,490			28990
Intra EU Exports	0	0	0	0		0			0
Other Exports	738	1,200	738	850		925			1,000
Total Exports	738	1,200	738	850		925			1,100
Cow Slaughter	1,751	1,700	1,489	1,768		1,519			1,550
Calf Slaughter	1,549	1,500	330	1,564		325			325
Other Slaughter	3,355	3,500	3,962	3,368		4,053			4,025
Total Slaughter	6,655	6,700	5,781	6,700		5,897			5,900

Loss	525	525	475	465		500			450
Ending Inventories	27,132	26,539	22,700	27,749		22,168			21,640
Total Distribution	35,050	34,964	29,694	35,764		29,490			28,990

Not official USDA data

PS&D Meat, Beef and Veal

PS&D Table									
Country:		Mexico							
Commodity:		Meat, Beef and Veal							
	USDA Official	Old Post Data	New Post Estimate	USDA Official	Old Post Data	New Post Estimate	USDA Official	Old Post Data	New Post Estimate
Market Year Begin	01/2008			01/2009			01/2010		
Slaughter (Reference)	6,655		5,781	6,700		5,897			5,900
Beginning Stocks	0		0	0		0			0
Production	2,225		1,600	2,230		1,625			1,630
Intra-EU Imports	0		0	0		0			0
Other Imports	408		408	350		300			335
Total Imports	408		408	350		300			335
Total Supply	2,633		2,008	2,580		1,925			1,965
Intra EU Exports	0		0	0		0			0
Other Exports	42		42	42		45			45
Total Exports	42		42	42		45			45
Human Dom. Consumption	2,575		1,950	2,524		1,870			1,910
Other Use, Losses	16		16	14		10			10
Total Dom. Consumption	2,591		1,966	2,538		1,880			1,920
Ending Stocks	0		0	0		0			0
Total Distribution	2,633		2,008	2,580		1,925			1,965

Not official USDA data

Commodities:

Meat, Swine

Animal Numbers, Swine

Production:

Swine production for 2010 is forecast to increase 0.3 percent in 2010, the same rate of increase expected for 2009 (0.3 percent). Lower prices, a media consumption campaign, and increased availability of pork products could stimulate demand (and therefore production) even considering the damage caused by the H1N1 outbreak.

In addition, the opportunity to access new markets (China and Korea), the declaration of Mexico as free of classical swine fever, and the Mexico hog industry trend towards vertical integration and industry consolidation give opportunities for hog production and slaughter levels to be maintained.

It is also estimated that swine inventories will increase because of stagnant demand (including pork exports). Swine production estimates were adjusted according to Mexican official data (INEGI census) and industry information.

Beginning stock is expected to increase 11.2 percent for 2010 and 9.4 percent in 2009 principally due to a lower slaughtering levels estimated for 2009 and lower loss. An increase of 3 percent in slaughtering rate is expected in 2010 after a decline of 2 percent in 2009 because of dampened consumption resulting from the H1N1 outbreak. Beginning stocks for 2008 were revised downward from the previous data reported based on the increase estimated from the 2007 INEGI data.

Pork meat production for 2010 is estimated to increase 2 percent over 2009, a year in which a decrease of only 0.8 percent is expected due to H1N1 outbreak effects. The decrease is minimal thanks to a successful GOM and industry consumption campaign strategy and lower pork prices. Pork production for 2008 was reviewed according to Mexican official data.

Consumption:

The consumption of beef and pork meat will not increase at the same rate as the population growth for 2009 and 2010, in part because of reduced gross family income resulting in lower red meat consumption and because of a substitution effect by consumers who see poultry as a cheaper and “healthier” protein source that will thereby repress per capita growth of beef and pork meat consumption.

In spite of the international economic crisis, consumer perception of pork meat, and a greater tendency to eat less red meat for health reasons, pork consumption for 2009 and 2010 is estimated to increase 3.8 and 2 percent, respectively, due to lower pork prices and as a response to the media consumption campaign.

Mexico’s meat processors continue to use imported U.S. pork variety meats. Despite the political and domestic pressures raised by the Mexican pork producers, meat processors must continue to import meat products because domestic production is not sufficient to meet their demand requirements.

Trade:

In 2010, Mexico will increase imports of hogs, although imports will only reach 19 percent of the 2008 level. Due to the H1N1 outbreak and a decline in consumption that affects all pork sectors worldwide, a reduction of 88 percent of hog imports is expected in 2009. Thus, a higher hog stock will occur and hog exports will remain at zero.

In 2010, pork exports will increase approximately 10 percent, but if Mexico signs an animal sanitary agreement with China, a necessary requirement for entering the Chinese market, the percentage could be considerably higher.

2009 is shaping up to be a difficult year for Mexican pork exports. A decline of 5.5 percent is estimated because of lower international demand for Mexican pork, which primarily results from the H1N1 outbreak that was associated with pork.

Despite the international economic crisis and the H1N1 outbreak, growth in Mexican pork imports is expected to slow in 2010. In 2009, imports are showing a 12 percent growth as a result of lower prices and sufficient worldwide supply. Mexico will continue to be a strong market for U.S. pork variety meats, lard, and greases.

Production, Supply and Demand Data Statistics:

PS&D Animals numbers, Swine

PS&D Table									
Country:		Mexico							
Commodity:		Animals number, Swine							
	USDA Official	Old Post Data	New Post Estimate	USDA Official	Old Post Data	New Post Estimate	USDA Official	Old Post Data	New Post Estimate
Market Year Begin	01/2008			01/2009			01/2010		
Total Beginning Stocks	10,129	10,410	9,401	9,780		10,283			11,433
Sow Beginning Stocks	925	960	1,081	925		1,084			1,087
Production (Pig Crop)	15,250	15,900	15,924	15,275		15,966			16,007
Intra-EU Imports	0	0	0	0		0			0
Other Imports	80	175	80	75		10			15

Total Imports	80	175	80	75		10			15
Total Supply	25,459	26,485	25,406	25,130		26,259			27,455
Intra EU Exports	0	0	0	0		0			0
Other Exports	0	0	0	0		0			0
Total Exports	0	0	0	0		0			0
Sow Slaughter	15	15	18	18		21			15
Other Slaughter	14,855	14,835	14,274	14,642		13,979			14,385
Total Slaughter	14,870	14,850	14,292	14,660		14,000			14,400
Loss	809	975	830	735		826			822
Ending Inventories	9,780	10,660	10,283	9,735		11,433			12,233
Total Distribution	25,459	26,485	25,406	25,130		26,259			27,455

Not official USDA data

PS&D Meat, Swine meat

PS&D Table									
Country: Mexico									
Commodity: Meat, Swine meat									
	USDA Official	Old Post Data	New Post Estimate	USDA Official	Old Post Data	New Post Estimate	USDA Official	Old Post Data	New Post Estimate
Market Year Begin	01/2008			01/2009			01/2010		
Slaughter (Reference)	14,870	14,850	14,292	14,660		14,000			14,400
Beginning Stocks	0	0	0	0		0			0
Production	1,160	1,250	1,161	1,150		1,152			1,175
Intra-EU Imports	0	0	0	0		0			0
Other Imports	535	430	535	475		600			620
Total Imports	535	430	535	475		600			620
Total Supply	1,695	1,680	1,696	1,625		1,752			1,795
Intra EU Exports	0	0	0	0		0			0
Other Exports	91	80	91	95		86			95
Total Exports	91	80	91	95		86			95
Human Dom. Consumption	1,604	1,600	1,605	1,530		1,666			1,700
Other Use, Losses	0	0	0	0		0			0
Total Dom. Consumption	1,604	1,600	1,605	1,530		1,666			1,700
Ending Stocks	0	0	0	0		0			0
Total Distribution	1,695	1,680	1,696	1,625		1,752			1,795

Not official USDA data

Author Defined:

Commodities:

Animal Numbers, Cattle

Animal Numbers, Swine
Meat, Beef and Veal
Meat, Swine

Author Defined:

Livestock Sector Policy

The animal production sector has experienced difficult times since 2008. It first faced higher grain prices, the effects of the international economic crisis, and the devaluation of the peso against the dollar, and finally reduced red meat consumption because of consumers' lower gross income.

Additionally, H1N1 affected the consumption of pork. The Mexican Government's strategies could dampen the effects; measures are to support meat production at a reasonable cost in order to provide sufficient supply to the consumers without a significant price increase.

Other strategies include a media campaign to stimulate pork consumption, restructuring producer's loans, and a *"Program for Productive Assets Acquisition for Producers."* With these strategies the government is hoping to stimulate a recovery within the livestock sector. In addition, the Mexican Government (GOM) is planning to increase livestock inventories with hopes of meeting more of the domestic demand for beef and pork. If these efforts are successful, it will address the current problem being expressed by exporters of live cattle, who feel their export prices for live cattle have been reduced due to the U.S. COOL law.

Recently, COFEPRIS, an agency of the Health Secretariat (SALUD), has been trying to expand their role as it pertains to food safety within Mexico. This responsibility lies within SENASICA, an agency of SARGAPA (Department of Agriculture). However, given that a large amount of food imports are consumer-ready food products which enter the commercial retail channel, COFEPRIS has demanded more control over these imported foods. Lately, recalls of exported U.S. food products to Mexico have fueled COFEPRIS's actions to demand more control.

Despite the international economic crisis, future grain prices (CBOT) are at their lowest levels since 2007. However, given the peso devaluation, the GOM continues to subsidize the purchase of grain options to assist Mexican livestock producers.

The international economic crisis has affected the gross family income of Mexican consumers; thus, purchasing habits have been switching from beef cuts to lower priced hams, chicken, and offals.

Pork

Like in the past, Mexican pork producers continue to seek government support and assistance. Numerous times the pork sector has sought protectionist actions from the Congress and the GOM. Most recently, the pork sector sought an import ban of all pork to address domestic problems. After the H1N1 outbreak, pork producers undertook an effort to increase consumption of pork by providing free pork samples to consumers. In addition to

trying to stimulate consumption these efforts assisted in reducing the level of pork stocks on hand after the initial outbreak.

SAGARPA is developing a program of modernizing import inspection procedures at the borders, which could be published or implemented in the fall of 2009. These new procedures are not only a part of a plan to modernize inspection procedures, but also an effort to harmonize import procedures with NAFTA partners.

Current Mexican Import Tariff

Tariff number	Product Description	Unit	General MFN Rate	From US Rate
Cattle				
01021001	Pure breeding animals	Head	Ex.	Ex
01029001	Dairy cows	Head	Ex.	Ex
01029002	With pedigree or high certificate, except HS 0102.90.01	Head	Ex.	Ex
01029003	Beef for supply, when it is imported by Industrial de Abastos	Head	15	Ex
01029099	Others	Head	15	Ex
Swine				
01031001	Purebred breeders	Head	Ex.	Ex
01039101	With pedigree or high certification register.	Head	9	Ex
01039102	Pecaris	Head	20	Ex
01039199	Others	Head	20	Ex
01039201	With pedigree or high certification register	Head	9	Ex
01039202	Weight superior to 110 kg, except HS 0103.92.01 y 0103.92.03	Head	20	Ex
01039203	Pecaris	Head	20	Ex
01039299	Others	Head	20	Ex
Beef Meat Fresh or chilled				
02011001	Carcasses or half carcasses	Kg	20	Ex
02012099	Other cuts (parts) with bone	Kg	20	Ex
02013001	Deboned meat	Kg	20%	Ex
Frozen				
02021001	Carcasses or half carcasses	Kg	25	Ex
02022099	Other cuts (parts) with bone	Kg	25	Ex
02023001	Deboned meat	Kg	25	Ex
Swine Meat Fresh or chilled				
02031101	Carcasses or half carcasses	Kg	20	Ex
02031201	Legs, shoulders and cuts thereof, with bone	Kg	20	Ex
02031999	Other	Kg	20	Ex
Frozen				
02032101	Carcasses or half carcasses	Kg	20	Ex
02032201	Legs, shoulders and cuts thereof, with bone	Kg	20	Ex
02032999	Others	Kg	20	Ex

Ex= Exempt

1/ TIGI: GENERAL IMPORT TARIFF

SOURCE: Integral system of International trade information, Economy Secretariat.

Livestock Sector Marketing

GOM efforts

The Mexican Government is actively searching for export markets to improve Mexican meat exports, primarily focusing on markets within Asia (i.e. pork products) and conducting market research for additional export markets. In addition to expanding export markets, different government agencies are involved in helping to develop the meat sector within Mexico. Activities include:

- Research to determine what meat products could benefit from a quality certification program
- Conduct generic promotional campaigns
- Trade missions
- Promote the use of Agricultural Cooperatives
- Provide extension services

Additional activities to help the meat sector are those activities carried out by PROMEXICO. PROMEXICO is a Mexican government agency responsible for strengthening the competitiveness of all Mexican sectors not just the meat sector. PROMEXICO provides export services to Mexican exporters such as export counseling, development of HACCP plans and assistance in the development of web based activities.

The Program for the Stimulation of Cattle Productivity (PROGAN) has been expanded. In the past, the program supported Mexican cattle buyers with financial assistance to purchase animals of higher quality genetics. The new-PROGAN will continue this support and will also provide financial assistance to producers who include new technologies and establish natural resource management programs. This year the program has been allocated 3.6 billion pesos (\$48.6 billion [1]).

In addition to government programs the food producers and packers in Mexico participate in a nonprofit association called “*Mexico Calidad Suprema*.” One service provided by “*Mexico Calidad Suprema*” is a quality assurance program known as “Supreme Quality.” This program is recognized worldwide for its quality standards which, if implemented within the processing facility, may enable a product to be labeled with the “Supreme Quality” seal.

Retail Sector

Red meat, including pork and beef, continues to be purchased by consumers in traditional butcher shops. However, due to the fact that women are increasingly entering the workforce, consumers are increasingly buying meat products and special cuts at supermarkets.

Marketing efforts of the United States

The U.S. Meat Export Federation (USMEF) office in Mexico City continues marketing promotion programs for U.S. red meats within Mexico.

After the H1N1 outbreak, USMEF promoted the consumption of pork meat and collaborated with the Mexican government to reinforce the reputation of pork meat and influence consumers in an effort resume their purchases of pork.

The U.S. livestock, beef and pork exporters, new to the Mexican market, are encouraged to contact both the U.S Meat Export Federation and FAS’s Agricultural Trade office in Mexico City.

THE U.S. AGRICULTURAL TRADE OFFICE (ATO)

LIVERPOOL NO.31

06000 MEXICO, D.F.

PH. (525) 5140-2614, 5140-2671; FAX (525) 5535-8557

GARTH THORBURN, DIRECTOR

U.S. MEAT EXPORT FEDERATION (USMEF)
JAIME BALMES NO. 8, SUITE 602, 6th. FLOOR
11510 MEXICO D.F.
PH. (525) 5281-6100; FAX (525) 5281-6013
CHAD RUSSELL, REGIONAL DIRECTOR

Additionally, U.S. exporters can contact the following Mexican associations:

Mexican livestock and meat associations	
CONFEDERACION NACIONAL DE ORGANIZACIONES GANADERAS (CNOG)	
MARIANO ESCOBEDO NO. 714, COL. ANZURES. MEXICO, D.F. 11590	
PH. (525) 5254-3245; FAX (525) 5254-2574	
OSWALDO CHAZARO, PRESIDENT	
CONSEJO NACIONAL DE PORCICULTORES (CMP)	
JUAN DE LA BARRERA NO. 38, COL. CONDESA. MEXICO, D.F. 06140	
PH. (525) 5212-1290, FAX (525) 5211-1379	
ENRIQUE DOMINGUEZ, GENERAL DIRECTOR	
ASOCIACION DE ENGORDADORES DE GANADO BOVINO (AMEG)	
AV. XOLA 914, COLONIA NARVARTE, COL. NARVARTE. MEXICO D.F. 03020	
PH. (525) 5639-3076, FAX (525) 5639-3075	
RUBÉN GARZA GONZÁLEZ, PRESIDENT	
CONSEJO MEXICANO DE LA CARNE (COMECARNE)	
AV. DE LAS FUENTES 41A, DESPACHO 603 6th. FLOOR	
LOMAS DE TECAMACHALCO. NAUCALPAN, ESTADO DE MEXICO 53950	
PH. (525) 5589-7771, FAX (525) 5294-7995	
EUGENIO SALINAS MORALES, PRESIDENT	

Livestock Statistical Tables

Table 1. Mexico: Annual Cattle Trade 2007-2009 and January-May 2008-2009, In Thousand Head

Exports to:	2007	2008	Jan-May 2008	Jan-May 2009	Import from:	2007	2008	Jan-May 2008	Jan-May 2009
United States	1,088.77	737.37	340.77	403.62	United States	10.63	30.50	22.92	4.20
Total of others	0.52	0.21	0.01	0.03	Total of others	69.96	59.70	44.03	0.53
Belize	0.27	0.07	0.01	0.03	Nicaragua	32.95	31.20	17.70	0.00
Nicaragua	0.18	0.00	0.00	0.00	New Zealand	18.73	11.15	11.15	0.00
Micronesia	0.03	0.14	0.00	0.00	Australia	18.28	13.56	13.56	0.00
Peru	0.03	0.00	0.00	0.00	Canada	0.00	3.70	1.62	0.53
Honduras	0.02	0.00	0.00	0.00	Costa Rica	0.00	0.00	0.00	0.00
Others not listed	0.00	0.08	0.06	0.07	Others not listed	0.00	0.09	0.01	0.01
Total	1,089.29	737.66	340.84	403.72	Total	80.60	90.20	66.96	4.74

Table 2. Mexico: Annual Beef and Veal Trade 2007-2008 and January-May 2008-2009, In Metric Tons

Exports to:	2007	2008	Jan-May	Jan-May	Import from:	2007	2008	Jan-May	Jan-May
-------------	------	------	---------	---------	--------------	------	------	---------	---------

			2008	2009				2008	2009
United States	16,409	15,002	7,404	9,528	United States	233,335	246,006	105,948	72,091
Total of other	13,774	14,780	6,350	5,011	Total of other	50,537	42,086	18,636	15,736
Japan	7,299	9,964	3,852	3,963	Canada	37,572	38,221	16,204	13,010
Korea, South	3,199	3,222	1,531	294	Chile	2,282	697	514	709
Puerto Rico (U.S.)	2,535	840	617	549	New Zealand	2,278	1,061	528	703
Costa Rica	687	754	350	205	Australia	2,930	1,048	515	697
Dominican Republic	54	0	0	0	Uruguay	5,475	1,059	875	617
Others not listed	81	21	2,000	38	Others not listed	4,059	3,355	1,349	751
Total	30,264	29,803	15,754	14,577	Total	287,931	291,447	125,933	88,578

HS codes included are 0201, 0202, 021020 & 160250

Table 3. Mexico: Annual Swine Trade 2007-2008 and January-May 2008-2009, In Thousand Head

Exports to:	2007	2008	Jan-May 2008	Jan-May 2009	Import from:	2007	2008	Jan-May 2008	Jan-May 2009
United States	0	0	0	0	United States	126.646	74,887	72,233	1,569
Total of others	0	0	0	0	Total of others	9.508	4,642	1,831	963
	0	0	0	0	Canada	9.506	4,642	1,831	963
	0	0	0	0	French Guiana	0.002	0.000	0.000	0.000
	0	0	0	0	Guyana	0.000	0.000	0.000	0.000
Others not listed	0	0	0	0	Others not listed	0.000	0.000	0.000	0.000
Total	0	0	0	0	Total	136.154	79,529	74,064	2,532

Table 4. Mexico: Annual Swine Meat Trade 2007-2008 and January-May 2008-2009, In Metric Tons

Exports to:	2007	2008	Jan-May 2008	Jan-May 2009	Import from:	2007	2008	Jan-May 2008	Jan-May 2009
United States	7,868	5,781	2,393	2,380	United States	312,252	382,141	148,317	193,093
Total of others	53,515	63,523	23,534	20,632	Total of others	34,020	28,712	10,934	13,574
Japan	51,694	61,881	22,594	19,685	Canada	31,335	26,493	10,404	12,753
Korea, South	1,801	1,260	705	890	Chile	2,685	2,204	515	821
Aruba	20	0	0	0	New Zealand	0	15	15	0
Russia	0	0	0	0					
Korea, North	0	382	235	57					
Others not listed	490	473	209	120	Others not listed	363	622	145	174
Total	61,873	69,777	26,136	23,132	Total	346,635	411,475	159,396	206,841

HS codes included are 020311, 020312, 020319, 020321, 020322, 020329, 021011, 021012, 021019, 160241, 160242 & 160249

Source: Global Trade Information Services, Inc. "World Trade Atlas" Mexico Edition

Figures for meat are in product weight equivalent (PWE)

Due to different sources quantities vary slightly from those in PSD tables.

Table 5. Mexico: Grass Fed Live Steer Average Monthly Wholesale Prices in Mexico City 2007-2009

(US\$/Lb)

Month	2007	2008	2009	% change 07 to 08	% Change 08 to 09
-------	------	------	------	-------------------	-------------------

January	0.895	0.957	0.879	6.9	(8.15)
February	0.906	0.992	0.726	9.5	(26.81)
March	0.910	0.996	0.699	9.5	(29.81)
April	0.911	1.020	0.778	12.0	(23.72)
May	0.896	1.027	0.849	14.6	(17.33)
June	0.833	1.087	0.871	30.5	(19.87)
July	0.833	1.114	0.895	33.7	(19.65)
August	0.905	1.034	0.944	14.25	(8.70)
September	0.929	1.071	N/A	15.28	N/A
October	0.937	0.904	N/A	(3.52)	N/A
November	0.931	0.890	N/A	(4.40)	N/A
December	0.945	0.893	N/A	(5.50)	N/A

Source: National Market Information Service (SNIIM)

N/A: Not available

Table 6. Mexico: Beef Carcass Average Monthly Wholesale Prices in Mexico City 2007-2009
(US\$/Lb)

Month	2007	2008	2009	% Change 07 to 08	% Change 08 to 09
January	1.36	1.38	1.24	1.5	(10.14)
February	1.32	1.39	1.15	5.3	(16.66)
March	1.33	1.39	1.11	4.5	(20.14)
April	1.34	1.41	1.22	5.2	(13.47)
May	1.35	1.45	1.22	7.4	(15.86)
June	1.35	1.46	1.21	8.1	(17.12)
July	1.36	1.49	1.23	9.6	(17.44)
August	1.34	1.51	1.27	12.7	(15.89)
September	1.34	1.45	N/A	8.2	N/A
October	1.35	1.22	N/A	(9.6)	N/A
November	1.36	1.19	N/A	(12.5)	N/A
December	1.34	1.19	N/A	(11.2)	N/A

Source: National Market Information Service (SNIIM)

N/A: Not available

Table 7. Mexico: Finished Live Hog Average Monthly Wholesale Prices in Mexico City 2007-2009
(US\$/Lb)

Month	2007	2008	2009	% Change 07 to 08	% Change 08 to 09
January	0.579	0.650	0.671	12.3	3.23
February	0.579	0.623	0.612	7.6	(1.76)
March	0.575	0.616	0.612	0.2	(0.64)
April	0.546	0.636	0.673	16.5	5.81
May	0.534	0.702	0.586	31.5	(16.52)
June	0.579	0.821	0.559	41.8	(31.91)
July	0.627	0.903	0.646	44.0	(28.46)

July	0.662	0.868	0.684	31.1	(21.19)
August	0.664	0.780	N/A	17.5	N/A
September	0.650	0.630	N/A	(3.1)	N/A
October	0.609	0.634	N/A	4.1	N/A
November	0.619	0.666	N/A	7.6	N/A
December					

Source: National Market Information Service (SNIIM)

N/A: Not available

Table 8. Mexico: Pork Carcass Average Monthly Wholesale Prices in Mexico City 2007-2009

(US\$/Lb)

Month	2007	2008	2009	% Change 07 to 08	% Change 08 to 09
January	0.679	0.925	0.948	0.1	2.48
February	0.670	0.938	0.857	40.0	(8.63)
March	0.650	0.951	0.856	46.3	(9.98)
April	0.642	0.949	0.922	47.8	(2.84)
May	0.616	0.988	0.920	60.4	(6.88)
June	0.596	0.977	0.850	63.9	(12.99)
July	0.627	1.220	0.891	94.6	(26.96)
August	0.851	1.167	0.924	37.1	(20.82)
September	0.872	1.069	N/A	22.6	N/A
October	0.893	0.939	N/A	5.2	N/A
November	0.903	0.901	N/A	(0.2)	N/A
December	0.945	0.931	N/A	(1.5)	N/A

Source: National Market Information Service (SNIIM)

N/A: Not available

Table 9. Mexico: Average Monthly Exchange Rate 2007-2009 (pesos per dollar)

	2007	2008	2009
January	10.94	10.91	13.15
February	10.99	10.76	14.55
March	11.12	10.73	14.71
April	10.98	10.51	13.41
May	10.82	10.44	13.19
June	10.83	10.33	13.47
July	10.80	10.24	13.36
August	11.04	10.10	13.00
September	11.03	10.61	N/A
October	10.83	12.56	N/A
November	10.87	13.08	N/A
December	10.84	13.40	N/A
Annual Avg.	10.92	11.14	N/A

Source: Mexican Federal Register

Note: Monthly rates are averages of daily exchange rates from the Banco de Mexico.

**Table 10. Mexico: Cattle Slaughtered by type of Slaughterhouses
(Heads)**

Type	2006	2007	2008	2009*	% Change	
					07/08	08/09
TIF/1	1,794,374	1,867,045	1,874,513	1,912,003	0.40%	2.00%
Municipal	2,646,449	2,684,407	2,750,608	2,735,258	2.47%	-0.56%
In-Situ Facilities	1,110,206	1,137,863	1,156,280	1,250,113	1.62%	8.12%
Total	5,551,029	5,689,315	5,781,401	5,897,375	1.62%	2.01%

* Forecast

1/ Federally Inspected Facilities

Source: Built with data from Confederacion Nacional de Organizaciones Ganaderas (CNOG) and Estadística de Sacrificio de Ganado en Rastros Municipales por Entidad Federativa 2008, INEGI.

**Table 11. Mexico: Hogs Slaughtered by type of Slaughterhouses
(Heads)**

Type	2006	2007	2008	2009*	% Change	
					07/08	08/09
TIF/1	5,175,695	5,850,000	5,750,000	5,812,675	13.03%	-1.71%
Municipal	4,838,674	5,185,523	4,996,011	4,726,933	7.17%	-3.65%
In-Situ Facilities	3,505,029	3,648,896	3,546,184	3,460,153	4.10%	-2.81%
Total	13,519,398	14,684,419	14,292,195	13,999,761	8.62%	-2.67%

* Forecast

1/ Federally Inspected Facilities

Source: Compiled with data from Confederacion Nacional de Organizaciones Ganaderas (CNOG) and Estadística de Sacrificio de Ganado en Rastros Municipales por Entidad Federativa 2008, INEGI.

Table 12. Mexico: Production of Feed and Feed Ingredients (000 Metric Tons)

Calendar Year:	2004	2005	2006	2007	2008Forecast	2009
Compound Feed Capacity	31,000	32,500	32,900	33,500	34,000	34,000
Total Compound Feed Produced	23,930	24,600	25,200	25,700	26,200	26,600
---- by integrated producers	15,390	15,790	16,100	16,500	16,640	16,760
---- by commercial producers	8,540	8,810	9,100	9,200	9,560	9,840
Marketing Year: (000 Metric Tons)	2004	2005	2006	2007	2008Forecast	2009
Feed Production by type of animal						
Poultry	12,845	13,217	13,400	13,500	13,727	13,956
Pork	3,733	3,858	3,866	4,000	3,966	3,955
Beef Cattle	2,315	2,342	2,395	2,500	2,570	2,620
Dairy Cattle	4,147	4,173	4,322	4,400	4,526	4,610
Aquaculture	158	180	205	220	240	250

Source: National Council of feed producers and animal nutrition.(Consejo Nacional de Fabricantes de Alimentos Balanceados y de la Nutricion Animal, A.C.)

Other Relevant Reports

MX9004: Poultry and Products Semi Annual

<http://www.fas.usda.gov/gainfiles/200903/146347597.pdf>

MX9007: Mexico Grain and Feed Annual Report

<http://www.fas.usda.gov/gainfiles/200903/146327454.pdf>

MX9009: Mexico Announces Three States as Free of Classical Swine Fever

<http://www.fas.usda.gov/gainfiles/200903/146337552.pdf>

MX9017: Livestock and products Semi Annual

<http://www.fas.usda.gov/gainfiles/200904/146347694.pdf>

MX9325: Food and Agricultural Import Regulations and Standards - Narrative

http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%20-%20Narrative_Mexico_Mexico_8-20-2009.pdf

MX9057: Poultry and Products Annual

http://gain.fas.usda.gov/Recent%20GAIN%20Publications/POULTRY%20AND%20PRODUCTS%20ANNUAL_Mexico_Mexico_9-1-2009.pdf

^[1] \$1 dollar = 13.5 pesos

Commodities:

Select

Author Defined:

INTERNAL COMMENTS

GOM actions

To address the numerous factors affecting the Mexican meat sectors, the Government of Mexico has developed a number of strategies to assist the Mexican cattle producer. However, due to the limited government budget many of these strategies will not be implemented, although any strategy which develops new markets that favor the domestic producers and have limited budgets will most likely be implemented. Despite the continued threats to ban imports of U.S. meat products, Mexican meat processors continue to demonstrate the importance of maintaining open trade with the United States to the Mexican Congress. Nevertheless, domestic producer organizations continue to lobby for protective actions from the Mexican Congress. If any protective measures were to be taken, it would most likely be increased inspection measures on imported products.

Industry Position

Notwithstanding the current economic downturn, the Mexican meat producers are positioned well in order to take advantage of growing consumption in future years. Furthermore, a certain portion of Mexican meat producers are in position to compete with imported meats. Thus, U.S. meat exporters will face growing competition within the Mexican market.

Slaughter Facilities

The majority of slaughtering in-situ (private and backyard) facilities occurs in the Southern Mexican states of Veracruz and Chiapas. Beef production is the primary sector within the state of Veracruz.

According to industry contacts, the total beef slaughter within an in-situ facility represents approximately 25 to 27 percent of the total beef slaughter (municipal plus TIF), while the range for pork is between 32 to 35 percent.

During economic downturns, the in-situ slaughter numbers increase due to the cheaper slaughtering costs at such facilities. Furthermore, lower slaughtering costs are maintained at these facilities because not all government regulations are followed, nor are private programs such as “trusty suppliers” applied. However, the in-situ slaughter numbers decline to approximately 15 percent of total slaughter during good economic times.

COFEPRIS

COFEPRIS lacks the understanding of SENASICA procedures and international agreements and has created trade disruptions for U.S. exports to Mexico, especially meat products.